



# United States Department of the Interior


OFFICE OF THE ASSISTANT SECRETARY  
POLICY, MANAGEMENT AND BUDGET

Washington, D.C. 20240

**MAY 22 2003**

## MEMORANDUM

TO: Heads of Bureaus and Offices

FROM: P. Lynn Scarlett   
Assistant Secretary – Policy, Management and Budget

SUBJECT: Critical Milestones for the FY 2003 Financial Statement Audit

The Office of Management and Budget (OMB) has accelerated the due date to complete annual performance and accountability reports to 45 days from the end of the fiscal year effective for 2004 reporting. To be prepared to meet this OMB requirement, the Department expects to complete the FY 2003 Performance and Accountability Report (PAR) and the financial statement audit process by November 15, 2003. Meeting the deadline is not just the responsibility of finance office staff. Individuals from all disciplines within the Department and bureaus must work together to achieve this accelerated reporting schedule. To achieve this goal, we must have an active partnership among Departmental Headquarters, Bureaus, and the auditors. It is the responsibility of bureau heads to ensure all the necessary individuals are actively involved in the process.

We are distributing a more detailed Financial Statement Audit Due Dates Calendar to your Chief Financial Officers in a separate memo. Senior Management and Bureaus/Departmental Offices must communicate to their staffs (with emphasis to program managers, and budget, acquisition, and property staffs) how the accelerated due dates will impact them and the importance of meeting the schedule. To meet these due dates, managers in each of your responsible functions (property, acquisition, performance, budget, annual report preparation, and information technology) must be accountable and committed. The following is a list of critical milestones that you need to ensure your bureau achieves this year.

- June 30 – Provide Office of Performance Management (PPP) the performance measures that will be included in the bureaus' management, discussion and analysis (MD&A).
- July 31 – Submit 3<sup>rd</sup> quarter financial statements, footnotes, and supplemental data to the Office of Financial Management (PFM). PPP will conduct a 3<sup>rd</sup> quarter review of the FY 2003 Performance Measures.
- August 15 – Submit to Deputy Assistant Secretary, Budget and Finance 3<sup>rd</sup> quarter Bureau Financial Statement Review Checklists **signed by the Bureau Finance Officer and CFO**, with explanations for significant financial statement

fluctuations, footnote fluctuations, and explanations/comments on Net Position analyses

- September 15 – Provide FY 2003 “estimated” performance information to PPP for review. PPP will provide comments back to the bureaus by September 25.
- September 25 – Cutoff for issuing reimbursable agreements.
- September 25 – Cutoff all non-emergency purchasing as defined by Bureau Directors.
- September 26 – All year-end accrual adjustments must be posted.
- October 3 – Provide completed “estimated” performance results and submit a first draft of the final performance report (FY 2003 Goals-At-A-Glance Tables) to PPP. PPP will provide comments to the bureaus by October 8.
- October 8 – Provide KPMG with final trial balance information and a Trial Balance Verification Letter to the Deputy Assistant Secretary, Budget and Finance and the Inspector General.
- October 10 – Provide completed final performance report to PPP
- October 17 - Provide final Bureau Annual Report (with Final Performance Data) to KPMG (Also date that Department must submit the Draft PAR to KPMG)
- October 17 - Submit to Deputy Assistant Secretary, Budget and Finance and the Inspector General 4th quarter Bureau Financial Statement Review Checklists **signed by the Bureau Finance Officer, CFO and Bureau Director** with explanations for significant financial statement fluctuations, footnote fluctuations, and explanations/comments on Net Position analyses.
- October 24 – Submit Bureau Annual Reports to KPMG addressing all auditor’s comments. (Also date that Department must submit the final PAR to KPMG)
- November 10 – Camera-ready version of Bureau Annual Reports complete with bureau responses to the Auditor’s Report on Internal Controls and Report on Compliance with Laws and Regulations to KPMG.
- November 15 – Audit Opinions Issued by KPMG.

These efforts will need your support and leadership. Accurate and timely financial information is not just an audit issue; it is a management issue. Steven Griles, Nina Rose Hatfield, and I look forward to working with each of you to meet the November 15, 2003, date.

cc: Steven Griles,  
Nina Rose Hatfield